

**RESOLUTION  
OF THE CITY OF ROSEAU**

*To Amend*

Its Resolution entitled

**“Roseau Economic Development Authority Business Subsidy Policy”**

originally passed on June 4, 2001

**RESOLVED** by the City Council of the City of *Roseau* that it shall adopt the following **Business Subsidy Policy and Criteria**:

**Preamble.** Whenever the City of Roseau invests public funds or agrees to voluntarily forfeit tax or other revenue that benefit private development projects, those projects should create the greatest number of FTE jobs that pay a living wage possible for the residents of the City and the surrounding region. City policy makers and economic development agents must keep the critical need for living wage FTE jobs the priority whenever public dollars are invested in a private business or development project.

**Business Subsidy Public Purpose.** The public purposes of this policy shall be to accomplish the following on behalf of the *City of Roseau*

1. Enhance economic growth in this area
2. Create high quality job growth in this area
3. Retain high quality jobs in this area
4. Stabilize the community
5. Economic diversification
6. Expand and maintain basic retail and service industries

This policy is adopted in compliance with M.S. § 116J.994 Subd. 2. A copy of the policy shall be submitted to the Department of Employment and Economic Development along with the first annual Business Subsidy report.

**Principles of Business Subsidy Implementation.** The *City* shall target its business subsidy assistance to businesses that demonstrate a clear and ongoing commitment to the community. One important measure the City will use in determining a public interest for which a subsidy is warranted will be the provision of living wage jobs to their employees. However, living wage jobs will not be exclusive goal in business subsidy policy for the City, except in areas governed by the Job Opportunity Building Zone (JOBZ) statutes.

The *City shall* focus its business subsidy assistance only to businesses which agree to comply with annual business subsidy reporting requirements as required by Job Opportunity Building Zone (JOBZ) statute M.S. §§ 469.310 - 469.320; and/or as required by the Business Subsidy statute M.S. §§ 116J.993 - 116J.995.

Although the primary purpose of this policy is the creation of living wage jobs, we cannot achieve our economic development goals without a trained and ready workforce and adequate childcare. The city shall commit to assist businesses to obtain trained and work-ready employees through the DEED Workforce Development Centers; MNSCU and other services; and to facilitate access to childcare.

The *City* agrees to require that a qualified business shall not to compete with or displace local businesses currently operating within the subzone community.

## I. DEFINITIONS

"Authorized Business Subsidy Signatory" means the Mayor who is authorized by this Policy to execute business subsidy agreements on behalf of the *City of Roseau*.

"Benefits" means non-mandatory benefits such as paid time off, health insurance, dental insurance, child care benefits, cafeteria plan benefit packages, disability insurance, and life insurance. For purposes of this definition, "Benefits" does not include workman's compensation, unemployment compensation, and social security benefits.

"JOBZ Business Subsidy" means tax exemptions or tax credits available to a qualified business located in a job zone under the Job Opportunity Building Zone (JOBZ) statute M.S. §§ 469.310 - 469.320.

"Business Subsidy" means a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business, and as defined by the Business Subsidy statute M.S. §§ 116J.993 - 116J.995.

"Business Subsidy Report" means the annual reports submitted each year for each business receiving a business subsidy in the community. The report is submitted by the City in order to comply with M.S. § 116J.994 Subd. 7. (b).

"Criteria" means the equitably applied, uniform standards by which the Economic Development Agency and/or the City bases its decision to award any business subsidy to a private business or development project establishing a business and creating jobs in the City.

"DEED" means Minnesota Department of Employment and Economic Development.

"Economic Development Agent" means the city department, local or regional economic development agency or other authorized entity that is empowered to solicit, negotiate and form business subsidy agreements on behalf of the *City*. The Economic Development Agent for the City of Roseau shall be the Roseau EDA, hereinafter "Agent".

"Living Wage Job" shall mean a job which pays wages and health benefits that total at least the rate of 110% of the current poverty level for a family of four.

"Local Governmental Unit" hereinafter LGU, means the statutory or home rule charter city, county, town, iron range resources and rehabilitation agency, regional development commission.

"Operation Start Date" shall mean the date by which the business begins its operations in the zone as evidenced by constructing a facility or relocating to an existing building in a facility and beginning revenue generating operations and/or hiring employees.

"Qualified Business" means a person that carries on a trade or business at a place of business located within a Job Opportunity Building Zone as referenced in M.S. § 469.310 Subd. 11; and complies with the reporting requirements specified by M.S. § 469.313 Subd. 2. (5); and shall comply with the criteria in Section II.C. of this agreement; and shall also mean "Recipient" as defined by Business Subsidy law. A qualified business shall not include a retail business, a low-wage service business, an agricultural production business, or a business that pays less than the living wage defined in this agreement.

"Recipient" mean any business entity that receives a business subsidy as defined by M.S. § 116J.993, and that has signed a Business Subsidy Agreement with a city.

"Relocating Business" A business relocating from another Minnesota non-JOB Zone location.

"Relocation Agreement" means a binding written agreement between a relocating qualified business and the commissioner of DEED pledging that the qualified business shall either: (a) increase full-time for full-time equivalent employment in the first full year of operation within the job opportunity building zone by at least 20

percent, or (b) make a capital investment on the property equivalent to 10% of the gross revenues of operation that was relocated in the immediately preceding taxable year; and provides for repayment of all tax benefits if the requirements of (a) or (b) are not met.

"Subzone" means the parcel or parcel of land designated by the Commissioner of Employment and Economic Development within a Job Opportunity Building Zone within the boundaries of the City of Roseau to receive certain tax credits and exemptions specified under M.S. § 469.310-469.320.

"Zone" means a Job Opportunity Building Zone or an Agricultural Processing Facility Zone designated by the commissioner of Employment and Economic Development under M.S. § 469.314.

## II. BUSINESS SUBSIDY REQUIREMENTS

A. **Business Subsidy Policies.** The City of Roseau adopts the following:

1. Any time the *City of Roseau* provides a business subsidy to a Qualified Business or Recipient, that business is subject to the wage levels, benefits, job creation and other criteria set forth in this policy and specified in the Business Subsidy Agreement made with the City. In the event of a conflict between the requirements of the Business Subsidy statute M.S. §§ 116J.993 - 116J.995 and the JOBZ statute M.S. §§ 469.310 - 469.320, the JOBZ statute shall supersede.
2. The recipient, in the case of a quantifiable non-JOBZ business subsidy, shall create and retain at least one full-time living wage job for each \$25,000 of business subsidy received. These jobs shall be created not later than two years from the date of the agreement or business start-up. The wage and benefit requirements may be waived by the City of Roseau if the business fulfills a stated public purpose and cannot reasonably meet specified wage and benefit requirements.
3. The qualified business, in the case of a JOBZ business subsidy that is non-quantifiable at the time of the Business Subsidy Agreement, must create and retain for the period of the Job Zone duration or until December 31, 2015, whichever is shorter, at least 1 of FTE job(s) that pay a living wage.
4. The qualified business shall be identified in the Business Subsidy Agreement as a: **(CHOOSE)**
  - a. Trade or business located in and operating in a JOBZ or APF Zone at the time of Zone designation; OR
  - b. New trade or business start-up located within the subzone; OR
  - c. Business expanding in the subzone which is a business that maintains its current operations in its current location and is expanding its operations and its payroll within the City of Roseau subzone; OR
  - d. A business relocating from another state; OR
  - e. A business relocating from another Minnesota non-Zone location specifying the City.
5. The City of Roseau may deviate from wage and job criteria in Section II, by documenting the reason in writing for the deviation and attaching a copy of this reason to the next annual Business Subsidy Report submitted to DEED.
6. The City of Roseau authorizes the Mayor as representative of the city to act as its Authorized Business Subsidy Signatory to execute business subsidy agreements on behalf of the *City of Roseau*.
7. The City of Roseau authorizes the Roseau EDA to act as its Economic Development Agent for purposes of marketing and initiating and negotiating Business Subsidy Agreements on its behalf.
8. **Requirements of businesses.** The City of Roseau shall require all businesses receiving a business subsidy to comply with the following:
  - a. The business shall attend a properly noticed public hearing shall be held by the City as provided by M.S. § 116J.994, when the value of the subsidy does or is expected to exceed \$100,000 from local sources. The purpose of the hearing shall be held to identify define the criteria that the qualified business or recipient shall meet in order to be eligible to receive a business subsidy or become a qualified business for purposes of the JOBZ statute. The hearing

shall specify the subsidy provided and public purpose that shall be achieved by offering the subsidy, and shall specify the measurable, specific, and tangible goals committed to by the qualified business. As provided by M.S. 116J.994, Subd. 5., a public notice shall be published in print and if possible, on the internet, at least 10 days prior to the hearing, identifying the location, date time and place of the hearing; and providing information about the business subsidy proposed, including a summary of the terms of the subsidy.

- b. If the business is qualified to receive JOBZ tax benefits, that business shall agree to continue to operations in the jurisdiction where the subsidy is used (the subzone) for the duration of the job zone term.
- c. If the qualified business or recipient is a relocating business under the definition in this agreement, the business shall be required to enter into a binding written "Relocation Agreement" between the qualified business and the commissioner of DEED, pledging that the qualified relocating business shall:

- (1) Commit to signing a Relocation Agreement with DEED; and

**CHOOSE ONE from 2 or 3:**

- (2) Cease one or more operations or functions at a non-Zone location and begin performing substantially the same functions inside the Roseau Zone; or
    - (3) Reduce employment at the non-Zone location starting one year before and ending one year after beginning operations in the Zone where its employees in the Zone are engaged in the same line of business as the employees at the location where it reduced employment; and

**CHOOSE ONE (or BOTH, if applicable) from 4 and 5:**

- (4) Increase full time employment by 20% (measured relative to the operations that were relocated) within the first full taxable year of operation within the Zone and maintains the required level of employment during each year of zone designation; or
    - (5) Make a capital investment in the Zone equivalent to at least 10% of gross revenues for the taxable year immediately preceding relocation to the Zone.

- d. The business shall identify an operation start date when business operations for the proposed qualified business are planned to begin in the zone. The date when business operations begin is called the "operation start date".

## AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA)

COUNTY OF ROSEAU )

Sadie Driscoll being duly sworn, on oath says that he/she is the publisher or authorized agent and employee of the publisher of the newspaper known as the Roseau Times-Region, and has full knowledge of the facts which are stated below:

(A) The newspaper has complied with all the requirements constituting qualification as a qualified newspaper, as provided by Minnesota Statute 331A.02, 331A.07, and other applicable laws, as amended.

(B) The printed Notice of Public Hearing

which is attached as set out from the columns of said newspaper and was printed and published once each week, for one (1) successive weeks; it was first published on Saturday the 4 day of December 2004 and was thereafter printed and published on every \_\_\_\_\_ to and including \_\_\_\_\_ the \_\_\_\_\_ day of \_\_\_\_\_

20 and printed below is a copy of the lower case alphabet from A to Z, both inclusive, which is hereby acknowledged as being the size and kind of type used in the composition and publication of the notice:

abcdefghijklmnopqrstuvwxyz

BY Sadie Driscoll  
TITLE Publisher

Subscribed and sworn to before me on this 8 day of Dec 2004

Carrie Johnson  
Notary Public

# NOTICE OF PUBLIC HEARING ON THE ADOPTION OF A POLICY AND CRITERIA FOR GRANTING BUSINESS SUBSIDIES

Notice is hereby given that the City Council (the "Council") of the City of Roseau, Minnesota, will hold a public hearing on Tuesday, December 14, 2004 at a special meeting of the Council beginning at 5:00 p.m. or as soon as possible thereafter. The meeting will be held at the temporary Council Chambers located at the Roseau Fire Hall, 110 2nd Avenue SE, Roseau, Minnesota for the purpose of reviewing the proposed adoption of the City's Business Subsidy Policy (entitled "Roseau Economic Development Authority Business Subsidy Policy") under Minnesota Statutes Section 116J.993 through 116J.995 and Minnesota Statute Section 489.310-489.320, the Job Opportunity Building Zone statute. All persons may appear at the public hearing and present their views orally or in written form. A copy of the proposed Business Subsidy Policy may be obtained at the City's offices located at 110 2nd Avenue NE, Suite 3, Roseau, Minnesota.

Dec. 4, 2004

